



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO. 1041

DATE: August 18, 2011

TO: Iowa Medicaid Hospitals (excluding Critical Access Hospitals), Physicians, Physical Therapists, Occupational Therapists and Rehabilitation Agency Providers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Multiple Procedure Payment Reductions (MPPR) for Therapy Claims
(Replacement Text is Highlighted Below)

EFFECTIVE: September 1, 2011

***** This letter replaces Informational Letter No. 1018 dated July 29, 2011*****

As a cost savings initiative included in the department's and Governor's budget proposal, and approved by the Iowa Legislature, a payment reduction will apply for multiple therapy procedures provided by the same provider, for the same member, on the same date of service. This change will be effective for dates of service on or after September 1, 2011. The concept is similar to the Medicare Multiple Procedure Payment Reduction (MPPR) for therapy claims. Unlike Medicare however, which applies the payment reduction to the Physician Expense portion of the Relative Value Unit, Medicaid will apply a 10 percent reduction to the established Medicaid fee schedule amounts. This reduction only applies to services that are paid at a fee schedule rate and does not affect payment for any service(s) that groups to an APC payment.

Examples:

CPT	Units	Fee Schedule	Old payment	New payment	Payment Reduction Methodology
97113	2	\$24.93	\$49.86	\$47.37	1 unit @ 100%, 1 unit @ 90%
97110	3	\$22.60	\$67.80	\$63.28	1 unit @ 100%, 2 units @ 90%

Claim submission notes:

- Multiple dates of service billed on the same claim should be grouped by date
- The highest paying procedures should always be billed first
- Therapies provided on the same date must be billed on the same claim
- When a provider bills for more than one type of therapy, on the same date of service, the appropriate modifier should be appended to indicate that each of the therapies are distinct and separate from one another (not performed during the same time interval).

Attached is the list of the therapy procedures for which the reductions will be applied.

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, locally 515-256-4609 or by email at imeproviderservices@dhs.state.ia.us.

List of Therapy Procedures Subject to the Multiple Procedure Payment Reduction

Code	Short Descriptor
92506	Speech/hearing evaluation
92507	Speech/hearing therapy
92508	Speech/hearing therapy, group
92526	Oral function therapy
92597	Oral speech device evaluation
92607	Evaluation for prescription of speech device, 1hour
92609	Use of speech device service
96125	Cognitive performance testing
97001	Physical therapy evaluation
97002	Physical therapy re-evaluation
97003	Occupational therapy evaluation
97004	Occupational therapy re-evaluation
97012	Mechanical traction therapy
97016	Vasopneumatic device therapy
97018	Paraffin bath therapy
97022	Whirlpool therapy
97024	Diathermy (eg, microwave)
97026	Infrared therapy
97028	Ultraviolet therapy
97032	Electrical stimulation
97033	Electric current therapy
97034	Contrast bath therapy
97035	Ultrasound therapy
97036	Hydrotherapy (Hubbard tank)
97110	Therapeutic exercises
97112	Neuromuscular reeducation
97113	Aquatic therapy/exercises
97116	Gait training therapy
97124	Massage therapy
97140	Manual therapy
97150	Group therapeutic procedures
97530	Therapeutic activities
97533	Sensory integration
97535	Self care management training
97537	Community/work reintegration
97542	Wheelchair management training
97760	Orthotic mgmt and training
97761	Prosthetic training
97762	C/o for orthotic/prosth use
G0283	Elec stim other than wound